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6 7 What is claimed is:

A system for executing trades of securities according to predefined trading strategies, comprising:

a plurality of servers, each server being programmed with a specific trading strategy algorithm, and receiving trade orders and executing said trade orders according to the trading strategy algorithm programmed therein;

said plurality of servers being connected to a plurality of clients over a communication network, wherein a client enters a trade order and transmits it over said communication network to a server associated with the trading strategy the client desires to use to complete the trade order.

A method for executing a trade order for a security, comprising the steps of:

providing a server connected to a communication network, said server being programmed with a specific trading strategy algorithm;

receiving at said server over said network a trade order from a customer; and

executing the received order in a trade forum according to actions determined by said specific trading strategy algorithm.

The method of claim 2, wherein said trade order requests a trade of a quantity of shares of the security over a portion of a market day for said trade forum, and said specific trading strategy algorithm comprises the steps of:

dividing a trading day into a plurality of time bins:

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for a received order, computing average share

volume for each time bin over a predetermined period of

time and determining share volume percentages for each

time bin;

multiplying the number of shares in the order by the percentages for each time bin to determine the number of shares of said order to be allocated within each time bin; and

executing orders for said allocated numbers of shares within each time bin in accordance with said specific trading strategy algorithm.

- 4. The method of claim 3, wherein a trade of an allocated number of shares within a given time bin is executed by entering at least one limit order during said given time bin, with a price and time for each order being determined as a function of an amount of time remaining in said given time bin, and as a function of real-time assessment of current market conditions based on real-time market data.
- The method of claim 4, further comprising the steps 1 of periodically checking the status of outstanding 2 orders; and changing at least one of the pricing and 3 4 the number of shares of an outstanding order as a function of an amount of time remaining in said given 5 time bin, and as a function of real-time assessment of 6 current market conditions based on real-time market 7 data. 8

1 6. The method of claim 3, further comprising the steps of:

identifying securities for which said server has received trade orders on both a buy side and a sell side; and

internally transferring shares of such identified securities from a seller to a buyer at a price determined according to the conditions specified in said received trade orders for said identified securities.

7. The method of claim 3, wherein said orders are executed as limit orders for at least partial amounts of said allocated numbers of shares within each bin, the method further comprising the steps of:

determining after a predetermined period of time whether said limit orders have been at least partially filled;

if said limit orders have been at least partially filled, determining whether adverse market conditions exist, and changing the remaining share orders to more aggressive limit orders or market orders for immediate execution if adverse conditions exist;

otherwise, entering additional limit orders for partial amounts of said allocated numbers of shares within said time bins.

- 8. The method of claim 7, further comprising the steps of:
- determining whether adverse market conditions
 exist if said limit orders have not been at least
 partially filled after a predetermined period of time;

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completing the share orders within said time bins
by placing more aggressive limit orders or market
orders if adverse market conditions exist;

otherwise, modifying said partial limit orders
within said time bins and placing said modified limit
orders within said time bins.

9. The method of claim 2, wherein said trade order requests a trade of a quantity of shares of the security within a time period, and said specific trading strategy algorithm comprises the steps of:

continuously monitoring during said time period a plurality of market indicators related to said security; and

repeatedly generating during said time period one or more appropriate signals which dictate actions to be taken at said trade forum, said signals being based upon said market indicators, and signals causing an action at said trade forum selected from the group consisting of a market order, a limit order having a price selected from one of a plurality of levels of aggressiveness, and a cancellation of an existing order and a delay of entering a new order;

wherein said signals are sent until said time period expires or until an order is executed by said trade forum.

- 1 10. The method of claim 9, wherein a signal causing a
- 2 market order is sent three minutes prior to expiration
- 3 of said time period.
- 1 11. The method of claim 9, wherein said selected price
- 2 level of aggressiveness is determined based upon said

- 3 market indicators according to a predetermined
- 4 criteria.
- 1 12. The method of claim 9, wherein said monitoring of
- said indicators is performed automatically by said
- 3 server using information provided by an electronic
- 4 real-time information provider.
- 1 13. The system of claim 1, wherein said plurality of
- 2 servers are also connected to each other over said
- 3 network, such that said servers are capable of
- 4 comparing their received orders with orders received by
- other servers of said plurality of servers, and are
- 6 capable of carrying out trades with said other servers
- 7 in accordance with the order information entered into
- 8 each server.
- 1 14. The method of claim 2, further comprising the step
- 2 of providing a plurality of servers connected to said
- 3 communication network and to each other over said
- 4 network, such that said servers are capable of
- 5 comparing their received orders with orders received by
- 6 other servers of said plurality of servers, and are
- 7 capable of carrying out trades with said other servers
- 8 in accordance with the order information entered into
- 9 each server.
- 1 15. The method of claim 3, further comprising the step
- of smoothing said determined share volume percentages
- 3 according to a predetermined algorithm.
- 1 16. The method of claim 3, wherein said trading
- 2 strategy algorithm continuously monitors a plurality of
- 3 market indicators related to said security, and said

- 4 monitoring of said indicators is performed
- 5 automatically by said server using information provided
- 6 by an electronic real-time information provider.

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